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## THE OUTLOOK FOR FRANCE

*Submitted by the*  
**DIRECTOR OF CENTRAL INTELLIGENCE**

*The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, The Joint Staff, and the Atomic Energy Commission.*

*Concurred in by the*  
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## THE OUTLOOK FOR FRANCE

### THE PROBLEM

To estimate the impact of de Gaulle's advent to power, over the next year or two, on, (a) the character, strength and stability of French political institutions; (b) France's relationship with Algeria, other overseas territories, and Morocco and Tunisia; and (c) France's position and policies in the Western Alliance.

### CONCLUSIONS

1. France under the vigorous leadership of de Gaulle has begun programs of political and economic change that have already achieved significant results and that could lead to a national rejuvenation. De Gaulle has gained the broad support of the French people and has demanded recognition of France's claim to great power status. (*Paras. 11, 17-20, 30-34*)

2. The most serious problem confronting de Gaulle is the Algerian War. Its continuance places serious obstacles in the way of achieving permanent economic and political progress. If, however, de Gaulle should be successful in ending the war in Algeria, we believe that the prospects for economic growth and political stability would be bright. (*Paras. 12, 13, 35, 61, 62*)

3. De Gaulle has been successful in containing the extreme rightists who, along with the military, emerged as powerful political forces following the May 13th

coup. He has taken steps to consolidate loyalty to himself within the military. However, while the military appears satisfied with de Gaulle as the leader of France, its responsiveness to the civil authority of the Fifth Republic on the crucial question of Algeria has not been fully tested. (*Paras. 12, 13, 16, 17, 37*)

4. De Gaulle will probably attempt to induce the Algerian nationalists to accept a settlement based on some form of political autonomy coupled with economic development and social reform. We believe it unlikely that he can negotiate a ceasefire on this basis during the next year. The FLN (*Front de Libération Nationale*) will probably remain unwilling to accept any plan for ending hostilities unless it contains at least an implicit French commitment that the Algerians will have the right after a specified period of time to opt for independence—a commitment that we believe de Gaulle is unlikely to make at least during the next year. (*Paras. 43-44*)

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5. Once the FLN is convinced that de Gaulle is unwilling to so commit himself, extremist viewpoints within the FLN are likely to gain the upper hand and the FLN will almost certainly accept increased assistance from outside sources, including the Sino-Soviet Bloc countries. We do not believe that de Gaulle's economic development program, even if successful, will suffice to counter the appeal of Algerian nationalism in the long run. (*Paras. 44-45*)

6. There remains, however, an outside chance that the FLN might be persuaded by Morocco and Tunisia, both of which are anxious to end the war, to accept a "North African" solution whereby a semi-autonomous French Algeria would join a Maghreb confederation. We believe that were de Gaulle to favor such a solution he could secure its acceptance by the French. (*Para. 48*)

7. An indefinite continuation of the rebellion would worsen French relations with Morocco and Tunisia, which will almost certainly continue actively to support the nationalist cause. Furthermore, continued hostilities without hope for settlement, would aggravate the policy dilemma confronting the US. If the US appeared to give active support to the French against the rebels, its relations with the Arab and other ex-colonial states would deteriorate and the US base position in Morocco might be further endangered. US support of the rebels would severely strain US-French relations and weaken the NATO structure as a whole. A new factor would be added if the FLN commits itself openly to obtaining extensive Communist bloc assistance. (*Paras. 46-47*)

8. We believe de Gaulle will stay in power for at least the next two years, even if the Algerian War is not ended. If, however, the Algerian War drags on and it becomes clear that there are no prospects for an early settlement, conditions within France would begin to deteriorate. Public confidence in the regime would diminish, and labor would grow more restive. The General's prestige would decline and his ability to withstand the demands of the extreme right would weaken. Eventually the government would have to resort increasingly to the use of authoritarian methods and parliamentary institutions would be weakened. (*Paras. 61, 63, 64*)

9. During the period of this estimate we do not believe any formidable resurgence of the power of the French left is likely. However, if the right retains its monopoly of political power, the Communists will probably gain increasing support as the most effective critics of the regime. Should right-wing forces in the government suspend civil liberties and restrict strike action, a vigorous reaction by the left would be likely. (*Para. 28*)

10. De Gaulle apparently believes that NATO should be reorganized to emphasize co-operation between national military establishments rather than integrated forces. He further believes that France must play a major role in developing Western strategy not only for the NATO area, but elsewhere. De Gaulle will continue to stress his demand for parity with the US and the UK in the councils of the West. In sum, we believe France under de Gaulle will prove an independent and stubborn ally. Nevertheless, we believe that France will remain basically committed to the Western Alliance. (*Paras. 56-57*)

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## DISCUSSION

## I. INTRODUCTION

11. Profound changes have occurred in France since the grave national crisis of May 1958. With the advent of the new French regime, long overdue constitutional and economic reforms have been instituted with the result that there now exists a framework within which political stability could be achieved and a more effective utilization made of France's human and material resources in building up the strength of the nation. Under the vigorous leadership of de Gaulle, a broad consensus of the French public has been achieved which has, temporarily at least, submerged many of the traditional divisions of status and outlook. Relieved of the threat of imminent civil war and chaos, Frenchmen, by-and-large, are at present agreed to entrust to de Gaulle the unchallenged leadership of the State, and to follow him along the path which he has indicated toward national rejuvenation and greatness, even though this entails some personal sacrifice.

12. Serious problems, however, remain. The events of 13 May not only ended the Fourth Republic, but showed that groups in France—most importantly major elements of the armed forces—were willing to overthrow the established but widely discredited institutions of the Republic. Although now quiescent, these groups retain a strength which de Gaulle must take into account in formulating any solution of France's most pressing problem, the Algerian War.

13. The sharply divergent views of the military activists and the politically predominant right on the one hand, and the Moslem nationalists on the other, regarding the future status of Algeria will make extremely difficult any settlement of the Algerian War. Moreover, the Algerian situation has made the accomplishment of permanent economic and political progress much more difficult to attain. Furthermore, the future of the Fifth Republic cannot be considered as secure until

this problem is resolved, and the unquestioned obedience of the military to civilian authority is assured.

## II. DOMESTIC STABILITY

## A. The Political Situation

14. The abrupt breakup of the Fourth Republic, precipitated by the military coup in Algeria in mid-1958, was followed by a radical rightward shift in the balance of French political power. This shift was confirmed by a referendum, which overwhelmingly approved a new constitution that greatly strengthens the executive power, and even more by the subsequent general election. At the time of the coup the military and *colon* extremists assumed effective power in Algeria. In Paris supporters of de Gaulle, including veterans of his old political formation, were appointed to influential posts within the General's provisional government. Many of this group were extremely nationalistic in outlook and were violent critics of the Fourth Republic.

15. In general the public accepted these events almost without protest, and appeared relieved to abdicate its responsibilities to de Gaulle. Some accepted de Gaulle through fear of civil war. Some are uneasy about the Bonapartist aspects of the General's coming to power, and many about the purposes and loyalties of his most prominent supporters. Moreover, the traditional divisions and conflicts of interest within the French body politic, though now somewhat submerged, remain strong.

16. At the moment the military is a latent but powerful political factor in France. Although the military appears satisfied with de Gaulle as the leader of France, its responsiveness to the civil authority of the Fifth Republic on the crucial question of Algeria has not been fully tested. It is possible that the activists, who claim to be the spokesmen for the military, will attempt to reassert their

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power on this question. Moreover we believe that the military might also again exercise a decisive role in any crisis of the State, such as might arise if de Gaulle dies or becomes incapacitated. In the meantime the mere existence of this latent force increases the confidence of the extreme right.

17. Despite de Gaulle's initial debt to right-wing forces he has consolidated a unique personal position of great independent strength, and has obtained broad popular support. In fact the General has demonstrated considerable skill in controlling the elements which brought him to power. He has made progress in isolating the extremists and in reshuffling the top military commanders. He has chosen many of his ministers from a broad range of moderate political opinion. He has contained the power of Jacques Soustelle, the most prominent strategist in the demise of the Fourth Republic, without publicly alienating him. In essence de Gaulle has thus far been able to remain faithful to the image of the role he initially cast for himself—that of a national figure above conflicting political forces. However, it may be difficult for de Gaulle to maintain this role.

18. *The Constitution.* In the effort to breathe new life into France's troubled body politic, and to give form to his long-held theories on presidential government, de Gaulle has included in the new constitution formidable executive powers. Both the president and the cabinet are greatly strengthened against the parliament. The government can spell out the details of general laws passed by the parliament; under certain circumstances decrees having the force of law may be promulgated without parliamentary approval. Only a vote of censure by an absolute majority of the National Assembly can end the life of a government. Furthermore the president is able to choose his premier without parliamentary interference. If the president faces strong opposition from the parliament he can either dissolve it or submit specific issues to public referendum. In addition, the president possesses broad powers in the defense and foreign policy fields, and under special emergency circumstances, the existence of which he de-

termines, he may assume full dictatorial authority.

19. Potentially the most troublesome aspect of the new constitution is the ambiguous position of the premier. Because he owes his appointment to the president, the premier, initially at least, will probably tend to be a creature of the president. However, in the conduct of day-to-day government business he may have to seek support from groupings within the legislature which might be hostile to some of the president's policies. He might, therefore on occasion, find himself in the position of being allied with the legislature against the president.

20. De Gaulle will almost certainly try to establish by precedent and by interpretation of the constitution that the presidency is the decisive power in the French Government. So far there has been no occasion to test the relative strengths of the presidency and the legislature, nor to judge the extent to which the General expects to dominate the premier and cabinet. It is apparent, however, that de Gaulle believes that the president, rather than the premier, should be responsible for laying down the main lines of national policy. If the Assembly should challenge the role of the president, de Gaulle would almost certainly threaten to use the presidential power of calling referendums and of dissolving the legislature, and would use these powers, if he believed it necessary. Whether or not these new patterns of power will continue after de Gaulle will depend largely on the general French willingness to accept a reduction in the power of the legislature, and to entrust strong executive prerogatives to successors of less prestige.

21. *The First Government of the Fifth Republic.*<sup>1</sup> The legislative elections in November confirmed the fact that popular political interests centered around de Gaulle and his plans for the new government, rather than on the Assembly as such. Apart from the Communists, few candidates dared oppose him, and most of those who did were soundly

<sup>1</sup> See attached chart of election statistics and parliamentary party strengths.

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defeated, many on the first ballot. Few issues were aired in the campaign; candidates often disagreed only over the degree of their devotion to de Gaulle's program. De Gaulle had hoped for an Assembly more evenly divided between the center-right and the center-left. But the workings of the electoral law and the popularity of the UNR (*Union de la Nouvelle République*), which many voters regarded as de Gaulle's own, despite the fact that he had opposed the use of his name, gave the UNR a disproportionately large number of the Assembly seats. Besides, the Independents (*Modérés*) also improved their position. The Communist representation dwindled from 143 to 10 deputies, and the entire left-of-center was reduced to such a small proportion of the chamber's total that for the moment no effective opposition to the overwhelming rightist majority exists.

22. The government majority consists of the UNR, the Independents, the MRP (*Mouvement Républicain Populaire*) (the Catholic party), and the bloc of ultra-conservative deputies from Algeria. The cabinet contains representatives of all these groups. In addition there are technicians, presumably completely responsive to de Gaulle's wishes, in the posts of Foreign Affairs and Defense. The more moderate elements of the government majority hold important positions, including the Ministries of the Interior and of Finance—the latter is held by Antoine Pinay, the only former premier of the Fourth Republic in the cabinet. However, the more vocal and uninhibited exponents of nationalism within the UNR exert considerable influence both in the administration and the Assembly. The premier, Michel Debré, has long been considered among those most loyal to de Gaulle, although his political convictions seem to differ from those of the General in certain important aspects, especially towards Algeria. Soustelle, an extreme rightist, is vice premier with specific responsibilities for atomic energy, the Sahara, and the overseas territories.

23. Numerous opportunities already exist for splits within the UNR, and between the UNR and its allies. These will probably increase as the warm glow of the right's electoral vic-

tory cools off. The UNR contains deputies of both conservative and progressive economic views; some UNR leaders belong only because they consider it the best vehicle to support de Gaulle's every move, others are openly suspicious of the General's policies. However, its initial electoral success may enable the party over the next year to develop a nationwide organization. This prospect, plus the obvious advantage of profiting from the Gaullist label, will work to keep the party together, at least as long as de Gaulle does not openly propose a liberal solution for the Algerian War.

24. The Independents, who represent the more traditional interests of business and agriculture, generally support a tough policy on Algeria, but may develop significant differences with the UNR on economic and social problems. The MRP may be tempted at any time to leave the government majority, being on the whole less conservative than its coalition partners, and particularly sensitive to reckless use of executive power. However, the loss of MRP support (some 57 votes) would not by itself threaten the stability of the right-wing majority.

25. *The Opposition.* The Socialists (*Section Française de l'Internationale Ouvrière*) (SFIO), whose popular vote was not significantly reduced, but whose strength in the National Assembly was halved in the recent legislative elections, are the strongest party not represented in the government. Their position, however, is both equivocal and weak. While Mollet supported de Gaulle and served in his provisional government, the party had a leading role in the discredited Fourth Republic. Almost all prominent Socialist leaders were defeated—including most of those who had been maneuvering the party towards a new Algerian policy. Furthermore, the SFIO is isolated from the remainder of the non-Communist left. The Socialists have promised a constructive opposition, but it is as yet too early to tell whether the sacrifices demanded by the economic austerity program will not drive them into outright hostility. Even if this should happen, the Socialists do not appear to have the courage or dynamism

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necessary to conduct an effective opposition in the Assembly. Nor do they have a program likely to attract disgruntled deputies from other parties.

26. The Communist Party not only lost more than a million popular votes in the November elections, but suffered a collapse of its representation to a point where it can have nothing more than a nuisance value in the Assembly. Although its popular vote in the recent municipal elections increased in the districts in which it ran candidates, the party lost control of hundreds of local administrations to various anti-Communist coalitions. Nevertheless the party's national machinery remains intact. The Communists will almost certainly increase their pleas to other elements of the left, which are also weakened, for united front action. However, the Socialist leaders are not likely to respond favorably to such a proposal.

27. As a result of the drastic decrease in leftist representation in the Assembly, labor will probably turn more to the trades unions to protect its interests, particularly in face of the austerity program. In these circumstances, there is likely to be an increase in strength of the Communist-dominated CGT (*Confédération Générale du Travail*), which will grow in importance as the voice of the working class, probably at the expense of the other more moderate labor organizations. Furthermore the CGT may have some success in attracting other unions to programs of joint action on economic issues.

28. During the period of this estimate we do not believe any formidable resurgence of the power of the French left is likely. However, if the right retains its monopoly of political power, the Communists will probably gain increasing support as the most effective critics of the regime. Should right-wing forces in the government suspend civil liberties and restrict strike action, a vigorous reaction by the left would be likely.

29. *General Political Outlook.* An overwhelming majority, such as that enjoyed by the present government, would under normal circumstances assure stability and continu-

ity of policy probably beyond the period of this estimate. There is some danger, however, that the UNR's triumph may cause some of its leaders to use their power in such a way as to provoke sharp adverse reactions from allied parties in the Assembly. More likely, however, is the outbreak of conflict between the president and recalcitrant members of the Assembly's right-wing over a major issue such as the Algerian question. Although the voting in the recent local elections showed a swing away from the UNR and some recouping of votes by the Communists, this probably represented more a reaction against the austerity program than a fundamental shift away from de Gaulle.

#### B. The Economic Situation

30. De Gaulle's ambitious program for the rejuvenation of France places heavy burdens on an economy which has been plagued by inflation and balance of payment crises. France has the industrial plant and the human and natural resources requisite to carry out the General's program, including his plans for economic development for Algeria and French Africa. Indeed French production gains in recent years have been as impressive as those of any country in postwar Europe. But France has been unable to profit fully from its industrial progress because of chronic financial crises occasioned by the costs of the Indo-Chinese and Algerian Wars, expensive welfare programs, and because of the political unwillingness of insecure governments to take the unpleasant steps necessary to curb inflation generated by deficit financing and ineffective restrictions on credit and consumption.

31. De Gaulle's accession to power came at a time when France had decided to enter the European Economic Community (Common Market—E.E.C.) which implied that France must take steps to become an effective competitor in a larger foreign market and gradually abandon the protection of high cost producers. After considerable hesitation the de Gaulle government took vigorous actions to insure that the economy would be in a favorable position to profit from these new circum-

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stances. The franc was sharply devalued, and a broad domestic austerity program was undertaken. These measures were aimed at making French goods more competitive in foreign markets, easing balance of payments pressures, and reducing domestic consumption.

32. The austerity program involves sharp price rises in those sectors of the economy which are largely controlled by government, and the reduction of subsidies on a number of commodities of everyday consumption. Although small wage increases will be permitted in some areas to compensate in part for these rises, the tenor of the program suggests that in general wage demands will be resisted. The resulting reduction in real income will give substance to the charges that the de Gaulle program discriminates against the working classes.

33. There has scarcely been time for the full impact of the austerity program to be felt domestically. No organized opposition to de Gaulle's program has crystallized, although the Socialists used its adoption to justify their decision not to join the government majority, and there has been some grumbling from the trade unions. Conservative economic interests, including the farmers, will continue to be disgruntled at the loss of some traditional supports and subsidy arrangements. Furthermore strike action, which has been little used in France in recent years, may soon become an appealing way to register protests against the regime if the normal political channels are regarded as being monopolized by conservatives and right-wing elements. In general, however, we do not believe that the much weakened left will be able to reorganize itself sufficiently over this year to challenge the economic program in any significant way, although a continuation of the present minor recession would strengthen opposition.

34. Despite favorable signs in the current economic situation, including an encouraging inflow of repatriated capital, progress will depend in the long run on the maintenance of public confidence in de Gaulle's ability to take further steps towards resolving France's remaining problems, particularly that of Algeria. The austerity measures may in time

provoke political opposition sufficiently strong to force the government to back away from some of its announced programs, but de Gaulle will attempt to hold the line wherever possible. The basic problem of redressing the imbalance of payments will only be solved if internal prices are held in check—a task that may require the imposition of politically unpopular price controls. Because the French economy will become more than ever dependent on foreign trade, business confidence would be strained by a serious slowdown in world economic activity. However, the overall prospects for the French economy seem bright, barring a long stalemate in Algeria.

### III. THE PROBLEM OF ALGERIA

35. The most unsettling element in France's immediate future is the Algerian War. Continuation of the conflict will seriously impair French chances for attaining the national aspirations which de Gaulle has aroused. The orderly processes of the French Government will continue to be threatened by strident nationalists, civilian and military, who might once again attempt extra-legal action to force their will on the government. The longer the conflict lasts the more the Algerian issue will complicate France's relations with its Western allies, with Morocco and Tunisia, and with the nations of the Afro-Asian bloc. At the same time, the importance of Algeria to France has been re-emphasized by the initiation of operations to exploit the apparently large oil deposits in the Sahara, which almost all French leaders believe will be of great importance to France's future.

36. In certain respects, an early negotiated settlement of the Algerian issue has become more difficult. The position of the *colons* and of other rightists, who believe that Algeria must be integrated with metropolitan France regardless of the cost, was strengthened by the intervention of the Army on 13 May 1958 and by the overwhelming victory of the right in the subsequent elections. The evident power of the right has discouraged many of those whose opinions had been evolving towards some sort of accommodation with the rebels.

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37. De Gaulle has been moving cautiously to gain the initiative on the Algerian problem. He has taken steps to consolidate within the military both responsiveness to civil authority and personal loyalty to himself. He has assured the military that French troops will remain in Algeria. He has also transferred some of the extremist officers to other areas, thus weakening the association between the military and the *colons*. Yet, de Gaulle still has some unresolved problems. General Massu, one of the principal leaders of the military intervention of May 13, and in command of the military and administrative zone of Algiers, has recently publicly called for the attainment of the objectives of the movement of May 13, including integration. The French Chief of Staff, General Ely, has recently toured the Algerian front to reassure officers, especially the junior officers, concerning de Gaulle's policies.

38. De Gaulle has been attempting to convince the Moslems in Algeria that they can now trust France to fulfill its promises. He has offered them assurances of political freedom and increased economic opportunities. He is now implementing the ambitious Constantine Plan for economic development. He has attempted to improve relations with Morocco and Tunisia. By these measures he has gained the confidence of some Algerian Moslems, who while they dislike and fear the terrorism of the *Front de Libération Nationale* (FLN), have found no reason in the past to trust the French.

39. On the other hand, de Gaulle's program was set back by the results of the November Assembly elections. The deputies elected from Algeria for the most part believe that Algeria must remain an integral part of France. The General had hoped that the elections would produce a group of Moslems representing a cross section of the Algerian public, which would include Moslem nationalists, and with which he could in all correctness negotiate a settlement. Instead, *colon* and military pressure on the one hand and FLN intimidation and boycott on the other resulted in the absence of Moslem nationalist candidates. This has been especially harmful to his effort to develop Moslem leadership

other than that represented by the FLN. Nevertheless, a second effort is being made in the April municipal elections. These elections are being conducted under rules which would permit the election of Moslem majorities to almost all municipal councils.

40. While de Gaulle has been groping his way towards a formula for an Algerian settlement, the army authorities in Algeria have been achieving progress in both the military and the psychological fields. Pacification has been accomplished in some districts hitherto considered hopeless. The effectiveness of the Morice line along the Tunisian border has severely complicated the rebel supply problem. Furthermore, Army special services officers are winning the grudging respect of many villages and towns where they are at work bringing agricultural and sanitation techniques to an indigent people. These advances appear to have convinced many officers that victory is within their grasp, and consequently they regard rumors of a compromise settlement with utmost concern. Nevertheless, we believe it unlikely that the French can pacify Algeria by military means within the year.

41. The FLN appears confident in its own ability to replace its casualties with fresh recruits and periodically to intensify its terroristic and guerrilla operations. It continues to hope that ultimately the French people will tire of the war and insist that peace be made even if it means loss of Algeria. It counts on the support of most of the Afro-Asian countries, and on the growing interest of the Bloc. The supply of arms from Communist countries is probably on the rise. The FLN also talks of a slow evolution of world opinion in its favor, using as an example, the US abstention on the Algerian resolution in the UN General Assembly debate in 1958. It continues to count on support from Morocco and Tunisia, even though the latter shows occasional irritation over the truculence of Algerians to whom it has given sanctuary.

42. Despite this apparent impasse, both de Gaulle and the FLN are continuing a cautious exploration of the limits of each other's positions, and we believe both are seeking some means for ending the war.

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43. *Prospects for an Algerian settlement.* De Gaulle probably has now established certain guide lines for resolving the Algerian problem. We believe he has rejected as acceptable solutions both (a) full integration of Algeria into metropolitan France (the announced objective of the extremist military and the *colons*) and (b) full independence (the announced objective of the FLN and the Provisional Algerian Government (PAG). We believe his primary aim is to change the status of Algeria, now comprising special Departments of France, so as to give it a wide degree of autonomy within the French Community, but with guarantees for French interests, and with no provision for secession. It is not yet clear whether he will eventually offer such a plan to the FLN in exchange for a cease-fire, or whether, even while hostilities continue, he will attempt to arrange a change in the status of Algeria with other Moslem leaders.

44. We believe it unlikely that de Gaulle can negotiate a cease-fire in Algeria during the next year. Although the FLN, especially its moderate leadership, is anxious to see an end to the war, it probably does not believe the French will permit the Algerians, even under a semi-autonomous status, to evolve towards independence by political means. Hence we believe it unlikely that the FLN will accept any plan unless it contains at least an implicit French commitment that the Algerians will have the right after a specified period of time to opt for independence. We also believe it unlikely that de Gaulle will make such a commitment at least during the next year.

45. While it is possible that over a period of time de Gaulle can rally to his program a considerable number of war-weary Algerians—including perhaps some moderates from the FLN—we believe that he is unlikely to gain sufficient support to jeopardize seriously the ability of the FLN to continue the rebellion. As it becomes increasingly clear that de Gaulle is unwilling to commit himself to ultimate independence for Algeria, the FLN will almost certainly increase its efforts to obtain assistance from outside sources, including the Sino-Soviet Bloc. In these circumstances extremist viewpoints within the FLN will gain the ascendancy and use of terrorism

against those Algerians who are willing to cooperate with the French program will probably be stepped-up. We do not believe that de Gaulle's economic development program, even if successful, will suffice to counter the appeal of Algerian nationalism in the long run.

46. The international implications of an indefinite continuation of hostilities, even on a diminished scale, would be serious. Morocco and Tunisia would probably feel themselves unable to withdraw their support from the rebels or their recognition of the PAG. They would continue to provide sanctuary and would probably openly permit supplies for the rebels to transit their territories. In these circumstances, both countries would feel themselves constantly exposed to the possibility of reprisals or even French military intervention. Relations between these countries and France would deteriorate and the outstanding differences between them would be increasingly difficult to resolve.

47. A continuation of the rebellion would also tend to aggravate relations between France and its NATO allies. Relations would become especially acute if all hopes for a negotiated settlement are lost. In these circumstances the US in particular would be faced with a serious policy dilemma. If the US appeared to give active support to the French, its relations with the Arab and with other ex-colonial states would deteriorate and the US base position in Morocco would be further endangered. Any support given the Algerian Moslem nationalists, on the other hand, would severely strain US-French relations and weaken the NATO structure as a whole. A new factor would be added if the FLN commits itself openly to obtaining extensive Communist bloc assistance.

48. Despite our belief that the PAG is unlikely to negotiate a cease-fire without at least an implicit commitment for ultimate independence, the possibility that it may do so cannot be excluded. Perhaps because they are apprehensive of circumstances developing as described in paragraph 46, President Bourguiba of Tunisia and the King of Morocco are taking new initiatives to end the war.

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There are indications that they are trying to devise a "North African solution" acceptable to the PAG, whereby an autonomous French Algeria would become part of a Maghrebian confederation. We believe that de Gaulle could obtain support from the military for such a plan, and that if such support were forthcoming, the *colons* could not successfully block its implementation. Even under such circumstances, however, there would be continuing difficulties over such complex issues as the future of the Sahara and the retention of French troops in the three North African countries.

#### IV. THE FRENCH COMMUNITY

49. The French claim to great power status is based in part on France's vast territorial holdings in Africa. In a move to retain some position in the area in the face of growing nationalism, the French gambled by scrapping their colonial controls and substituting a Community concept. Individual territories are given virtual autonomy in domestic affairs, but France in effect retains control in certain important Community-wide fields such as foreign affairs, defense, and finance. All territories were given the right to opt for independence—so far only Guinea has exercised this right. The French will have great problems with the territories that remain in the Community as the Africans insist that matters of Community-wide interest should be controlled by the entire Community, and not by the French alone. The French will try to associate the Africans in the procedure of policy-making and execution without giving them power to control the course of action taken, but such an arrangement will probably not satisfy the Africans for long. Indeed some leaders are now talking of enjoying French aid for a few more years, and then exercising their rights to sever connections with the Community.

50. It seems unlikely that a great public clamor in France will be raised if individual territories or federations of several of them opt for independence over the next few years. Important figures in French public life will

certainly seek to stem this movement, and will probably attempt to use the more pliable African politicians, such as Houphouet-Boigny, for their purposes, but they can do little more than make the process more awkward.

51. The new constitution also provides that states may "associate themselves" with the Community. While the form such a relationship might take was left unclear, it probably was included to attract formerly dependent states which had already won their independence from France, and was not meant to provide another level to which present members of the Community might graduate. If the French exercise self-restraint in dealings with the African republics of the Community, they may be able over time to induce those states which opt for independence to become "associates," thereby retaining some sort of special relationship with France.

#### V. FRANCE'S POSITION IN THE WEST

52. France under de Gaulle has been reviewing its basic foreign policies in a drive to realize its claim to great power status. The General is insisting aggressively on recognition of France as the leading continental and Mediterranean power within the Western coalition with a special position in Africa. He demands equality with the UK in relations with the US.

53. In Western Europe certain aspects of these policies put France at odds with the general trend toward unity of action and integration. Indeed, de Gaulle does not conceal his scepticism concerning supra-national institutions. Premier Debré and many other prominent Gaullists are openly contemptuous of European integration theories, and describe themselves as jealous guardians of an unencumbered national sovereignty. On the other hand, France has honored all the obligations to the E.E.C. and EURATOM which had been entered into by the Fourth Republic. Nevertheless, the present government would be unlikely to accept any further surrender of national sovereignty.

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## NATO

56. De Gaulle apparently believes that NATO should be reorganized to emphasize co-operation between national military establishments rather than integrated forces. De Gaulle has refused to accept installation of IRBM's in France unless the French have control of the warheads. He has objected to proposals for joint financing of such installations in Italy, and has refused to integrate the existing French air defense into a NATO command system. Most recently France has announced its decision to remove the Mediterranean fleet from its NATO commitment. At the same time he is attempting to secure more command positions for France in NATO.

57. De Gaulle has continued to stress his demand for equal status for France with the US and the UK in the councils of the West. He believes France must play a major role in developing Western strategy not only for the NATO area, but elsewhere, such as in the Near and Far East. He, apparently, also sees the Algerian War as the test of alliance solidarity, and is attempting by all means to gain the support of his NATO partners for French policies in Algeria. For these purposes he may seek to have the NATO defense commitment extended as far south as the Sahara, or he may propose the creation of some sort of Mediterranean pact through which he would hope to associate other Western nations, including the US, with French interests in North and West Africa. It is unlikely that the West has heard the last of de Gaulle's demands, or that he will scale them down significantly. Accordingly it is almost certain that France under de Gaulle will prove an independent and stubborn ally. Nevertheless we believe that France will remain basically committed to the Western Alliance.

58. *French Nuclear Policy.* The French may press their claims for equal treatment with the UK and the US in the Western Alliance more insistently when they have successfully tested a nuclear device, which could be as early as mid-1959. At the moment France undoubtedly regards the explosion of at least one fission weapon as a strong political gambit to justify its claim to great power status.

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We believe that a successful nuclear test will be only a first step in developing a broader nuclear program, and France has asked the US and UK for assistance in this program. France is unlikely to accede to any agreement limiting nuclear tests at least until after testing a few French weapons.<sup>2</sup>

#### Relations with Morocco and Tunisia

59. Most Moroccans and Tunisians had misgivings regarding the role of the French military and rightist elements in bringing about the events of May 13. Nevertheless the King of Morocco, Mohamed V, and President Bourguiba of Tunisia have clung to the hope that de Gaulle would act to resolve the Algerian question on terms acceptable to the FLN. This hope was fortified by the comparatively restrained French reaction to Moroccan and Tunisian recognition of the PAG in September 1958. However, the failure of de Gaulle to present proposals acceptable to the FLN, and the intensification of the French military effort have led to renewed pessimism. In Tunisia, recurrent border incidents and pressure from the FLN has led Bourguiba to reiterate his demand that the French evacuate Bizerte. While protesting his solidarity with the Algerians, he clearly fears them—perhaps at times more than he does the French. In Morocco, the King has publicly sought to develop close relations with France (ostensibly in order to advocate the Algerian cause) and France has renewed its financial and military assistance to the King's forces. However, relations between the French and the Ibrahim government are not particularly cordial.

60. In both Morocco and Tunisia the principal obstacle to improved relations with France is the continuation of the Algerian revolt. The French will resist evacuation of their troops from both countries as long as the rebellion continues. Algerian rebels taking sanctuary in Tunisia and Morocco will continue to be a source of friction between France and the

<sup>2</sup>For a discussion of French capabilities and of possible joint European efforts for nuclear weapon production see NIE 100-2-58, "Development of Nuclear Capabilities by Fourth Countries: Likelihood and Consequences," dated 1 July 1958.

Moroccan and Tunisian Governments. At the same time the Algerians will probably become more insistent that Morocco and Tunisia co-operate fully in furthering the Algerian War effort. In these circumstances the governments of Morocco and Tunisia will increasingly be forced to identify themselves with the popular cause of Algerian independence, or be overthrown by extreme nationalists.

#### VI. PROSPECTS FOR FRANCE

61. We believe de Gaulle will remain in power for at least the next two years, even if the Algerian War is not ended. But whether de Gaulle will be able to make progress toward fulfillment of his aspirations for France or whether the country will be faced with political and economic deterioration depends in large measure on the course of the Algerian War.

62. If de Gaulle should be successful in ending the war in Algeria, France would experience a major psychological lift. De Gaulle would have demonstrated his authority over the extremists and the military, and would be relatively free to deal with France's other problems within the framework of parliamentary government. The ending of the economic drain of the war would assist de Gaulle's efforts to achieve financial stability in France. French relations with Morocco and Tunisia would be greatly improved as would the prospects for the development of favorable relations with the African territories. Furthermore, an end to the war would remove an irritant from French relations with the US [ ] 25X6

63. If, however, the Algerian War drags on and it becomes clear that there are no prospects for an early settlement, conditions within France would begin to deteriorate. The costs of the war would be likely to rise. Public confidence would decline and the recent inflow of capital would be reversed, again threatening the stability of the franc. Labor would become more restive and serious strikes would probably occur. The UNR would probably begin to split and the opposition parliamentary groups would increase their attacks

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on the government. However, we do not believe that even in these circumstances the center groups—with or without Socialist support—would be able to form a coalition with sufficient strength to challenge successfully the rightist majority. Nor could the weakened left offer an effective opposition to the regime, even in the unlikely event of the Socialists joining the Communists in a united front. The General's prestige would decline and his ability to withstand the demands of the extreme right would progressively weaken.

64. In such a situation of political deterioration, there would probably be an increased use of authoritarian methods by the government, and a weakening of parliamentary institutions. If de Gaulle were still in power, he would probably be forced to resort to his decree power in order to withstand pressures from the extreme right. If de Gaulle passed from the scene in these circumstances, his government would probably be succeeded by an authoritarian regime led by rightists and supported by the military.

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